GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:813
ANSWERED ON:26.07.2001
SUBSIDIES TO FARMERS
RATNA SINGH;SADASHIVRAO DADOBA MANDLIK

Will the Minister of AGRICULTURE be pleased to state:

(a) the details of direct and indirect type of subsidies being given to farmers and its impact on production;

(b) the details of subsidies out of it granted to small and marginal farmers as well as to relatively poor sections of farmers;

(c) whether any study has been conducted to ensure that the benefit of subsidies reach the targeted population;

(d) if so, the outcome thereof; and

(e) if not, the steps taken to ensure that the benefit of the subsidies actually reach the targeted population?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI SHRIPAD Y. NAIK)

(a) to (e): The major subsidies being provided to the farmers are in terms of subsidized prices of fertilizers, lower irrigation and power charges and subsidies on seeds and farm machinery etc. A statement showing the details of subsidies provided to Agriculture Sector during the last three years as compiled by Central Statistical Organization is placed at Annexure. These subsidies have enabled the farmers in acquiring inputs at affordable prices and thus helped in enhancing the agricultural production. The Government have not conducted any study so far to ascertain the impact or benefit of subsidies reaching the targeted farmers. However, certain Research Institutes have been asked to carry out studies on the subject. The Central Government is implementing several schemes for providing subsidies/incentives to the small and marginal farmers and comparatively weaker sections (SC/ST) of the farmingcommunity. These include subsidies on sprinkler irrigation system, drip irrigation, supply of improved farm implements for promoting agriculture mechanization amongst small farmers etc. Regular monitoring of these schemes is carried out in order to ensure that the benefits of subsidies actually reach the targeted farmers.

ANNEXURE

DETAILS OF SUBSIDIES TO AGRICULTURE SECTOR (Rs. Crores)

S.No.	Item	1997-1998 (Actuals)	1998-1999 (Actuals)	1999-2000 (Revised)$
	Subsidy to Agriculture Sector through inputs			
1.	Fertilizers (Total)	9918	11596	13463
2.	Electricity++	4937	6321	NA
3.	Irrigation ##	10318	11257	11728+
4.	Other subsidies given to marginal farmers and farmers co-operative societies in the form of seeds, development of oil seeds, pulses etc.	888	358	NA

Source: 1. Fertilizers: Expenditure Budget 2001-02 Vol.I of Central Government
2. Electricity and irrigation: Central StatisticalOrganization

Note: N.A. : Not Available.

++ Electricity includes all subsidies to Electricity Boards and Corporations. Separate estimates of electricity subsidy accountable exclusively to agricultural sector is not available.

The rates for supply of water to farmers are kept low as a matter of policy, resulting in losses to the Government irrigation system. The excess of operating costs over the gross revenue is treated as imputed irrigation subsidy.

+ Quick estimates.

$ The estimates are actual for item No. 1 while the same for items 2, 3 & 4 may be treated as revised ones.